

MINUTES
Chehalem Park & Recreation District Budget Committee
Annual Budget Meeting
125 S. Elliott Road
Newberg, OR 97132
6:00 p.m. April 9, 2024

I. Meeting called to order by Matt Smith, 6:00 p.m.

A. Budget Committee Citizen Members

Elizabeth Comfort (arrived 6:33 p.m.)

Elijah Dickson

Brian Keyser (Remote)

Jim Talt

Excused: Mike McBride

B. Budget Committee Board-of-Directors Members

Matt Smith, President

Jason Fields, VP

Gayle Bizeau, Secretary/Treasurer

Lisa Rogers (remote)

Jim McMaster

C. CPRD Staff

Richard Cornwell (remote meeting operator)

Casey Creighton

Julie Petersen

Kellan Sasken

Bryan Stewart

Kat Ricker

D. Public

Fred Robinson

Hunter Wylie

Brian Bowman

Bob Travers

II. Election of Budget Committee Officers

Jim McMaster nominated for president by Jason Fields, who then withdrew it at McMaster's deference to nomination of a citizen member.

President: Jim Talt

Motion/Nominated by: Jim McMaster

Second: Jason Fields

Approved unanimously

Vice President: Elijah Dickson

Motion/Nominated by: Jim Talt

Second: Jason Fields

Approved unanimously

Jim Talt noted that Don Loving is not at this meeting - first time in about 30 years - and Talt said that he will miss his droll sense of humor and Parliamentarian guidance.

Secretary: Gayle Bizeau

Motion/Nominated by: Jim McMaster

Second: Matt Smith

Approved unanimously

III. Approval of agenda and meeting dates as listed in budget calendar

Motion: Jim McMaster

Second: Matt Smith

Approved unanimously

IV. Budget message delivered by Budget Officer Don Clements

Clements read aloud highlights from the Budget Overview and various funds.

V. Discussion and public comments - Brian Keyser asked about beginning balance of almost \$5.7 million, and if in last year's balanced budget, expenditures equaled revenue, how we would have an opening cash balance? Clements said we do not spend what we budget, and if you do not spend it, then remaining balance carries over to the next year and must be reported. Clements said that there were projects that we were not able to complete - citing bridge, Sander Estate, and Renne Field project, and they are back in this budget to do. Keyser said almost eight percent of the budget is Contingency, and asked why we continue to budget such high amounts if we do not spend it. Clements said that putting \$1.5 million in there had been requested from the Budget Committee.

Jim Talt recommended that Keyser watch last year's budget meeting. He explained how Contingency Funds were increased last fiscal year by this committee, after long discussion, at the suggestion of President Elizabeth Comfort, who had put forward to increase Contingency Fund from \$100,000 to \$1.5 million, because that extra money was not being seen in the budget, he said, so we did it for sake of transparency. Talt said people were beginning to think that it was a slush fund, and it wasn't, because we couldn't use it. The committee put approximately three months of income placed into Contingency, which, he said, is consistent with other local municipalities.

Public Comments

Hunter Wylie talked about CPRD's current cash balance in the Local Government Investment Pool (which he incorrectly cited as a fund instead of pool), held at the Oregon Treasury Department. He said this was around \$14 million, accumulating for the past five years. He asked whether these funds were being considered in this budget.

Wylie asked whether the committee had an audited financial for the last closing year that you are using as far as your budget preparation. Wylie said that audits of previous years had been withheld for more than a year. Don Clements interjected and said it had never been withheld. Wylie said when the audit had been requested last year, he had been told that they were under audit and they were not available. When they were posted in October with the Secretary of State, Wylie said, he had obtained a copy from SOS, and he had

found that they had been delivered to CPRD the preceding December, even though the Board had been told many times that it was under audit. The previous year, they were given a draft audit dated in January, and when Wylie requested the same financials; Wylie found that they were filed in August but had been available two days after the draft or the same date as the draft, and when he presented them to the Board, Board members said they had not seen them. An unidentified woman interjected and asked who had not seen them. Talt redirected to public comment format.

Wylie suggested that in a previously recurring \$1.8-million accounting discrepancy, SDC funds had been used to pay debts that were not SDC-related. He said that had since been corrected. He said the accumulation of ending fund balances were not included in the audited ending fund balance financials.

Bob Travers, former member of golf course advisory committee and resident of the Greens development. He said there is a CPRD rollover fund; at the end of the year, funds which have not been spent must be rolled over to the next year. Each year for several years, he said, there has been almost \$900 million to \$2 million rolled over. He said we were told that there were things that would have to be done such as roofs and equipment replacement, up to ten years from now. He said the Board can reallocate this if it is not used as intended. He had therefore asked why a clubhouse had not been built with this money. He said the committee has the authority to tell the superintendent what to do with the money and urged them to educate themselves.

Talt thanked Wylie and Travers for their comments and reminded the committee that tonight's task was to focus on and approve this proposed budget.

Elizabeth Comfort arrived.

VI. Overview of funds

- A.** General Fund - Matt Smith said to clarify, this LGIP, at approx. \$13 million, was not represented in this proposed budget document here and asked Clements to explain why.

Clements said the general fund money comes from taxes, revenue and beginning balance. Ending balances are maintained for projects such as bridges, Renne Field, Sander Estate.

Jim McMaster said that the CPRD budget approach is that if money is not spent, then it is carried into the next year, which he contrasted with other government agencies, which spend available money by the end of the budget year.

Clements said we need the ending balance in order to apply for grants because we cannot start a project until the State tells us to, and we have to go through a process. There must be money to spend in order for money to come in, which goes into the beginning balance for the next year, which must be reported and is, he said. The average recovery for park and recreation across the country is 20 percent and we are over 50 percent, he said.

Discussion continued.

Jim Talt said he does not see a problem with the figures as provided, and that Wylie has a misconception that it is a slush fund.

Rogers sought clarification on \$6 million as a starting balance. Rogers, Comfort, Keyser asked several questions about the structure and strategic organization of the budget in relation to starting balance, ending balance, grants, general funds, and SDCs, and discussion continued with Clements.

Talt cited some discrepancies and suggested how to correct them, including park improvement projects such as restrooms not appearing on the projects list, and discrepancies on figures between pages 35 and 29; 81 and 25; 120; 91 and 119. Talt suggested that we plan to reconvene after Clements make those changes, and meanwhile continue through the agenda.

McMaster said he wants to have a Basic Service Supervisor for Grounds and another for Buildings in order to plan proactively rather than react to problems. Talt said that would be a Board of Directors item rather than Budget Committee.

Rogers expressed concern regarding lack of pay raises for majority of staff. Talt said we had the same discussion in the past three years, and Rogers said that's because nothing changes. Talt said the appropriate place to bring it up is the Board meeting not Budget meeting; Rogers said we can make sure that there is money for him to do those things. Talt said there is money in the contingency fund and the Board can pull it from that.

B. Equipment & Major Maintenance Fund - No comments

- C. System Development Fund -** Rogers talked about park projects missing from pg. 119. She said that in order for us to put any money in projects on the Capital Outlay budget, we have to approve it, and there are several projects which have been discussed and are not included. She said we approved a \$5.00 surcharge for the golf course clubhouse, and that is missing; the Chehalem Cultural Center exterior and sidewalk and curbs are missing; restrooms for golf course and Ewing Young are missing, and more. Smith asked if Clements was not intending to do those restrooms this year and asked what things are missing. Clements said no, he didn't, that shouldn't have occurred. McMaster said figures for funds donated for Sander Estate should appear here so public can see it (Foundation).

Rogers asked if we can afford to postpone working on Crabtree culvert another year; Creighton said we do not own it and there is no easement, so we have no responsibility for it, that had been going on for four years. Rogers asked what kind of degradation would occur in the next year and cited maintenance agreement. Clements said we probably would have to do a supplemental budget. Creighton said we did not budget for cultural center work as required by City, and he was going to go to CCC Board and ask how we could pay for it. Rogers said we are held to that in our agreement with CCC and it should be in this budget. Clements said he hoped that the CCC Board would fund it because CPRD had loaned them money over the years and we are asking them to reciprocate, and they do have the money. Rogers said we would abicate our

responsibility by not including it in this budget because we could not then do the work.

Comfort refocused that committee's charge is to approve the proposed budget, and the Board may shift the Superintendent's priorities in the budget.

- D.** Loan Service Fund - No comments
- E.** Bond Debt Service Fund - Smith asked for clarification on yearly service for golf course. McMaster said golf course debit is being retired. Clements said it has varied because we have refinanced several times in order to save money.
- F.** Pool Capital Fund - Talt clarified that there is no money, but it must still be listed.

Where to go from here - Clements said if you want to approve the proposed budget, we can mail out the corrections, because the dollar amount will not change. Talt said he would want to see pg. 119 revised to show how \$540,000 are accounted for. Clements brought to the committee's attention that the tax rate is going down, from .124 to .122 because of the increase in valuation; Creighton said because of the bond. Comfort clarified that the committee could approve the resolutions today legally because staff has adequate projects to account for the amount allotted, and what this does is cap them on the amount that they can spend. Talt polled what the committee members would want to do. (No motion was made.) The committee agreed to proceed and direct the Superintendent to make the corrections as directed.

VII. Public comments - N/A

VIII. Approval of proposed Budget and tax rate

A. Approval of Resolution on Approving Levying Taxes for 2024-25

Rate is \$.9076 per \$1,000 of assessed value for operations.

Motion: Matt Smith

Second: Jason Fields

Passed unanimously

B. Approval of Resolution on Approving Budget for 2024-25

Sum is \$21,018,100.00.

Motion: Elizabeth Comfort

Second: Matt Smith

Passed unanimously

C. Approval of Resolution on Approving Appropriations for 2024-25

Grand total all funds is \$1,395,475,00.00.

Motion: Matt Smith

Second: Jim McMaster

Passed unanimously

IX. Meeting adjourned at 8:09 p.m.

Submitted by Kat Ricker, Public Information Director